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so arranged that the translations of this Bill is published in all the vernaculars and sufficient opportunity is given to the public to express their opinion. If there are any recognized forest associations their view point also may be taken."

The motion was put and carried.

VI.—THE MADRAS CO-OPERATIVE SOCIETIES (AMENDMENT) BILL (BILL No. 21 OF 1935).

* The Hon. Mr. P. T. RAJAN:—" Mr. President, Sir, I beg to introduce the Madras Co-operative Societies (Amendment) Bill [a], (Bill No. 21 of 1935) and move that the Bill be taken into consideration at once.

" Sir, this is a very simple Bill. Under the section, as it stands, if a committee of a financing bank is to be superseded by the Registrar of Co-operative Societies, he could do so only with the concurrence of the Committee of the Central Provincial Bank. Administratively it has been found difficult, because the Committee of the Central Bank is largely composed of the representatives of the urban banks. Besides, there are certain banks which are not in any way connected with the Central Provincial Bank and consultation with it in superseding these Committees is hardly necessary. It is proposed to substitute the word 'consultation' for the word 'concurrence.' I am sure that the House will accept this Bill and pass it into law."

The Hon. Diwan Bahadur S. KUMARASWAMI REDDIYAR:—" I second it."

Diwan Bahadur T. A. RAMALINGAM CHETTIYAR:—" Mr. President, Sir, I am sorry that the Government have not given a fair chance to the Act which they themselves passed a year ago. So far as this provision is concerned, I believe the Hon. Minister remembers that it was introduced at the instance of the Government themselves in the Select Committee. That being the case, I do not see why the Government should be in such a hurry to amend it. I could see the logic of the thing in the case of the ordinary society if it was proposed to consult only the financing bank. But in the case of financing banks, they were convinced not very long ago that there should be the concurrence of the Provincial Bank for taking action under this section. Now, I will only say that there has not been sufficient experience to warrant the conclusion that this section is not going to be worked properly. It only seems to me that it is premature for the Government to bring in a Bill of this sort."

Mr. P. V. KRISHNAYYA CHOUDARI:—" Sir, I feel that this is not a very simple measure as the Hon. Minister has described it to be. It takes away a lot of power which the Central Bank has been enjoying. The Act was passed only three years ago and sufficient experience has not been gained of its working. I know in one case they have some difficulty and that happens to be a bank in the district from which I come. I therefore support the Government Bill although I feel that

[a] Published in the *Fort St. George Gazette*, dated 29th October 1935.

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they are taking away the privilege of the Central Bank. Before I give my assent to the Bill I should like to ask the Government to so act under this section that although the word ' consultation ' only is there, there was really the word ' concurrence.' With these observations, I support the Government."

* The Hon. Mr. P. T. Rajan :—" Sir, it is quite true that when this Bill was considered, I went out of my way to please my hon. Friend, Mr. Ramalingam Chettiyar and others who wanted the Government to take into their confidence the non-officials. At the same time, I must admit that necessity for superseding committees in large numbers has not arisen in the meantime for the Government to bring forward this amendment. As has been pointed out by my hon. Friend, Mr. Krishnayya Choudari, there was a case in which the department wanted that the committee of a certain financing bank to be superseded. The matter has been in correspondence for the past five months and as far as I can gather, no reply has been received from the Provincial Bank."

Diwan Bahadur T. A. Ramalingam Chettiyar :—" I am sorry to interrupt. But I must say that the Registrar himself was present at the meeting at which this matter was discussed and the Provincial Bank resolved that six months' time be given to the bank to rectify matters and that if it did not do so within six months, it would be superseded."

* The Hon. Mr. P. T. Rajan :—" I am glad for the information. I am told that this kind of extension of time has been going on for the last three years. Further, as has been pointed out in the Bill itself, the Committee of Management of the Central Bank is composed largely of representatives of financing banks and as such it is not possible to get the Committee of the Provincial Bank agree to the supersession of the committees of urban banks. There are one or two cases under consideration which I can quote, but I do not want to go into them now. I can assure the House that the Registrar, when he supersedes a committee, will take care that he has tried every other alternative before he takes this extreme step. I am sure that the House can always bring to the notice of the Government of any abuse of the powers on the part of the department.

" I can assure the House once more that when the committee of a financing bank is about to be superseded, the Registrar will satisfy himself that he has taken every precaution before he resorts to this ultimate step. With this assurance, I am sure the House will accept the Bill."

The motion that the Bill be taken into consideration was put and carried.

Clauses 1 and 2 were put and carried.

The preamble was then put and carried.

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The Hon. Mr. P. T. RAJAN :—" I beg to move that the Bill be passed into law."

The Hon. Diwan Bahadur S. KUMARASWAMI REDDIYAR :—" I second it."

The motion was put and carried and the Bill was passed into law.

VII.—RESOLUTION *RE* GUARANTEE IN RESPECT OF DEBENTURES ISSUED BY THE CENTRAL LAND MORTGAGE BANK.

* The Hon. Mr. P. T. RAJAN :—" Mr. President, I beg to move the following resolution standing in my name :—

'*This Council recommends to Government that they may, under sub-section* (2) *of section* 6 *of the Madras Co-operative Land Mortgage Banks Act,* 1934, *increase the maximum amount of the guarantee given by them in respect of the debentures issued by the Central Land Mortgage Bank to a total face value of Rs.* 100 *lakhs exclusive of such debentures as the bank may from time to time redeem, subject to the periods of issue and the rate of interest specified in the resolution passed by this Council on the 4th August* 1934.'

" Sir, it is needless for me to detain this House for any length of time. 4-30 As has been pointed out in the first sentence of the explanatory note, the House was good enough to pass a similar resolution some time back. Accordingly the Government have guaranteed the principal and interest on the debentures issued by the Central Land Mortgage Bank to the value of Rs. 50 lakhs. As has been explained in the note which has been circulated to hon. Members, the bank has issued debentures under sub-section (1) of section 6 for Rs. 35,20,100; they propose to issue debentures at the rate of Rs. 2 to 3 lakhs for issue of loans to primary banks every year. Therefore the bank wants the guarantee of the Government for further debentures to be issued by it. The Vice-President of the bank approached the Government and asked the Government to raise the guaranteed amount from Rs. 50 lakhs to Rs. 150 lakhs. The Government propose in the first instance to give them another Rs. 50 lakhs, so that when the amount comes to be exhausted, they can come before the House and thus give an opportunity to the House to know how the bank has been working. Before long, the sum of Rs. 50 lakhs guaranteed by the Government would be exhausted. (Mr. P. V. Krishnayya Choudari : ' We do not know how the bank is working; we have not got the annual report.') The annual report can be easily had from the bank. If the House wants copies of the annual report, I shall certainly ask the management of the bank to circulate copies to the Members of the House. From a perusal of the report the House will know how the bank is functioning. In view of this, I hope the House will be pleased to pass the resolution and thus raise the amount guaranteed from Rs. 50 lakhs to Rs. 100 lakhs."